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STATEMENT TO THE LEGISLATURE

BY

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ON

THE NATIONAL HIGHWAY INITIATIVE

NOVEMBER 17, 1992

CHECK AGAINST DELIVERY



Thank you, Mr. Speaker.

Mr. Speaker, last February, Premier Bob Rae urged First Ministers to consider capital infrastructure projects that would stimulate economic renewal and create badly-needed jobs.

At the First Ministers Conference on the Economy on March 25, First Ministers agreed that investing in infrastructure to create short term and long-term economic benefits is a priority for Canada.

The federal government has since proposed to the provinces a \$14 billion National Highway Initiative. But the federal offer is both insufficient for economic renewal and unfair to Ontario.

First of all, it is too narrow in focus. The federal proposal falls well short of the broader infrastructure initiative suggested by Ontario and discussed by First Ministers.

First Ministers agreed that forms of infrastructure other than highways, such as municipal infrastructure, information technologies, and other types of traditional physical infrastructure be looked at as well.

Second, the First Ministers emphasized the need to link infrastructure with the changing economy, the federal proposal does not do this.

And third, the amount allocated to Ontario in the current federal proposal is unfair to the citizens of this province.

Ontario accounts for 37 per cent of the population of Canada. Ontario taxpayers contribute 43 per cent of federal revenues. Yet under the federal proposal Ontario would only receive 15 per cent of federal money.

A program that offers New Brunswick more than \$750 per capita, as this one does, and offers Ontario only \$64 per capita is by anyone's standards clearly inequitable.

In addition, considering that 80 per cent of the jobs lost in the recession have been in Ontario, a 15 per cent share of a national job creation program for Ontario barely begins to meet our requirements.

Of the \$14 billion to be spent on upgrading Canada's national highways over ten years under the federal proposal, \$7 billion would have been spent by provinces anyway. The remaining \$7 billion would be shared equally between the federal government and provinces. For Ontario this means \$62 million annually in federal spending over the next ten years. That is simply not enough. And the narrow focus on four lane highways means that this investment may not go toward the most economically – beneficial projects.

Mr. Speaker, the federal proposal lacks a vision of what could be done to promote economic development.

Infrastructure such as public transit, roads and highways have long been important to economic development. It is for that reason that we must continually upgrade existing infrastructure. But we must also respond to the need for new kinds of infrastructure.

This government recognizes that in the emerging information based economy, innovations in telecommunications benefit productivity in all parts of the economy. In today's world, infrastructure investment should include a substantial commitment to new information technologies.

We have already undertaken initiatives in many of these areas. But given the tremendous importance of these investments to people in all parts of the country and also given their costs, it is imperative that the federal government also be involved.

Mr. Speaker, a national infrastructure initiative is badly needed but it must be done properly. We must ensure that economic renewal is the number one priority of such a program. We ask that the federal government reexamine its offer in light of the economic needs of the country and of this province.

Thank you.

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